
NASSAU COLISEUM

Uniondale, New York



Sterling Equities
New York Mets Development Corp
Blumenfeld Development Group

NOTICE: The data and information on pages of this Proposal contain technical or financial information which are trade secrets and/or whose disclosure would cause substantial injury to the Proposer's competitive position. The Proposer requests that such data and/or information be used only for the evaluation of the Proposal, but understands that disclosure will be limited to the extent that the County determines to be proper under the law. If a Notice of Award is issued to a Proposer, the County shall have the right to use or disclose the data and/or information, as provided for under the terms of the Contract, unless otherwise obligated by law.

12.23.2005

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SECTION I

ATTACHMENT "A"

BEST AND FINAL OFFER TERM SHEET

Directions: This is a two-part Best and Final Offer Term Sheet. You must complete **Sections I and II**, signing each section where indicated. Section II must be submitted together with the relevant financial information in a sealed envelope. The sealed envelope and the materials in the envelope should be marked **CONFIDENTIAL – FINANCIAL TERMS**.

SECTION I DEVELOPMENT PLAN		
TERM	COUNTY VISION	PROPOSER'S RESPONSE
I-1 Development Concept	<p>The vision for the redevelopment of the Coliseum Site is for a transformation of the site into an attractive multiple-use destination center consistent with the County's vision for New Suburbia and with the following principal goals:</p> <p>(i) the renovation or replacement of the Coliseum building into a state-of-the-art, world-class sports and entertainment facility at no cost to the County;</p> <p>(ii) the extension of the Islanders' agreement or an agreement with a comparable professional sports franchise;</p> <p>(iii) the use of structured parking adjacent to the Coliseum building to free up land for other development;</p> <p>(iv) the creation of a mixed-use, commercial / residential development;</p> <p>(v) the construction of Next Generation Housing;</p>	<p>(i) The renovations in CRC's proposal will transform the Nassau Coliseum into a state-of-the-art, world-class sports and entertainment facility at no cost to Nassau County (or see alternative answer in question I-6).</p> <p>(ii) At the expiration of the Islander's Lease, CRC will provide for an extension of the Islanders' agreement to play professional hockey at the Coliseum. <u>CRC will provide this extension Rent Free.</u></p> <p>The Islanders will occupy the Coliseum "rent free" until July 31, 2025. With the New York Mets Development Corp. as a partner, should the Islanders choose to leave the Coliseum, CRC is capable of replacing the existing user with another sports based use i.e. another professional hockey team or a minor league baseball stadium.</p> <p>(iii) Parking shall be shared among the development through several structured parking decks.</p> <p>(iv) In addition, to the renovation of the Coliseum, CRC will create a Life Style Center which will combine next generation housing, "Smart Style" retail and office mix as well as a state of the art hotel and conference center.</p> <p>(v) Rental apartments in the Residential Towers will include Next Generation Housing, senior housing and market rental apartments. Twenty percent (20%) of the Residential Towers will be allocated as Next Generation Housing and senior housing.</p>

	<p>(vi) the expansion of the tax base for Nassau County, the Town of Hempstead and applicable school district(s); and</p> <p>(vii) the enhancement of the Coliseum site with a viable public transportation system connecting the site with the greater area known as the Nassau County Hub; concurrent with positive impacts and relationships on surrounding development and parcels.</p>	<p>(vi) CRC has projected that total annual property taxes for the development, once complete, will be approximately \$38.5 Million. Of this amount, approximately \$21.0 Million will be allocated towards the School District.</p> <p>Nassau County's portion of the projected Life Style Center's retail sales tax is estimated to be \$17.0 Million per annum. An additional \$500,000 per annum will be generated from sales tax at the Minor League Stadium.</p> <p>(vii) CRC believes that its proposed monorail system branched off from either Hempstead Station or Mineola Station will greatly benefit the Nassau County Hub. The proposed monorail station will service the Coliseum as well as the overall development. CRC's monorail plans are flexible and can be modified to work within the parameters of Nassau County's proposed public transportation system. (See Exhibits E & F)</p>
I-2 The Coliseum Site	<p>Section 44, Block F, Lots 403 and 351 aggregating approximately 77 acres (the "Coliseum Site"). The Coliseum Site is currently comprised of a Coliseum building which hosts the New York Islanders, a National Hockey League team, and is a site for concerts and other entertainment events. The Coliseum is surrounded by surface parking. The County's concept includes the use of structured parking adjacent to the Coliseum building to free up land for mixed-use, residential/commercial development. Developer should indicate how adjacent sites may relate, complement and enhance redevelopment of the Coliseum Site.</p>	<p>CRC has met with Stuart Rabinowitz and Dolores Fredrich from Hofstra University. The outcome from the meeting is a positive endorsement of the project from Hofstra. The Life Style section of our plan will be connected by a bridge to the Hofstra campus, thereby creating a university town accessible to the Hofstra students.</p> <p>In addition, the minor league stadium will provide a place for Hofstra to play college ball as well as a place for outdoor recreation.</p> <p>Finally, the residential component of the project will provide housing opportunities for those people who work for or in conjunction with Hofstra.</p>
I-3 Disposition Structure	<p>The County will consider a sale or a lease for a term not exceeding 99 years.</p>	<p>CRC's proposal addresses both scenarios and gives Nassau County the flexibility to pursue either a sale or 99 year lease.</p>

I-4 Coliseum Site Development and County Review and Approval	<p>The vision for the redevelopment of the Coliseum Site is for a transformation of the site into an attractive multiple use destination center consistent with the County’s vision for New Suburbia. The County will reserve the right to review and approve developer’s site plan attached to the Best and Final Offer and any and all changes to the developer’s site plan(s), including those that result from the Town of Hempstead’s review and approval process, in each case, essentially to ensure that the plan is consistent with the County’s vision for New Suburbia. With respect to the Coliseum building renovation, the County will retain approval rights over the building plans and designs. These County approvals will be in addition to all other requisite approvals, such as those required from the Town of Hempstead.</p>	<p>CRC agrees and will work with Nassau County and the Town of Hempstead on the final design and approvals for this project.</p> <p>CRC fully understands that the Renovations to the Coliseum must be approved by the County and the Islanders.</p>
I-5 Option Period	<p>Developer will be given a 2 year option period, subject to a potential 2 year extension upon County approval, to obtain the required zoning changes, site plan approvals and all other requisite governmental approvals necessary to commence construction, including the requisite environmental review under the State Environmental Quality Review Act (“SEQRA”), as well as to complete its own environmental reviews, apply for state and federal incentives, conduct other due diligence and effectuate the SMG lease termination, amendment, or condemnation to obtain site control. (The original 2 year period, together with any extension, is referred to herein as the “Option Period”).</p> <p>If the purchase does not close, or lease commence, prior to the expiration of the Option Period, the County may terminate the agreement.</p>	<p>As set forth in CRC's initial term sheet, the Option Period (also referred to as Approvals Period) is a 24 month period, subject to a 24 month extension. If any litigation occurs, the Option Period may be further extended. If in any event, the Lease terminates automatically if the Lease Commencement Date does not occur within 7 years of the Lease Agreement Effective Date.</p> <p>During the Option Period, Tenant will attempt to accomplish the following:</p> <ul style="list-style-type: none"> (i) Obtaining all required Town of Hempstead zoning changes, site plan approvals, building permits, and all other governmental approvals for planned renovation of the Coliseum and construction of other improvements on the Coliseum Site; (i) Arranging financing, including IDA financing, any State financing or grants, any institutional financing, and/or private investment; (ii) Finalize agreement with SMG; and (iii) Extending the Islanders’ Lease to July 31, 2025. <p>If the Lease Commencement Date does not occur prior to the expiration of the Option Period, the County may terminate the Lease. Tenant may terminate the Lease at any time during the Approvals Period. Tenant may waive any of the foregoing conditions whereupon the Lease Commencement Date shall occur.</p>

<p>I-6 Coliseum Renovation</p>	<p>The County recognizes that the level of renovation will be, in part, a function of the commitment of the professional sports franchise to play at the Coliseum building and that the amount and type of Coliseum renovation required will be based on the underlying sports agreement. Based on a minimum extension of the Islanders' agreement to 2025, or an agreement with a comparable professional sports franchise for a similar term, developer will be required to:</p> <p>(i) renovate or replace the Coliseum offering a state-of-the art, modern facility in accordance with building plans and specifications approved by and in all respects acceptable to the County, including a financial investment of at least \$150 million (not including parking);</p>	<p>(i) In total, CRC will commit \$300 million on renovations to the Coliseum and new parking structures. CRC will assign \$200 million towards the renovation to the Coliseum.</p> <p>The Coliseum Renovations include additional seating and luxury boxes, increased and enhanced concession services and other amenities.</p> <p>The additional \$100 million will be spent on new decked parking.</p> <p><u>However, CRC would prefer to pursue the building of an entirely new coliseum. (See Exhibit C - Alternative Site Plan)</u></p> <p>A new Coliseum offers many benefits to the Islanders, Nassau County and Tax Payers at a minimal increased upfront cost.</p> <p>A new state-of-the-art arena would be built in the current parking area. This would create the following:</p> <ol style="list-style-type: none"> 1. <u>No down time for the Islanders.</u> This is similar to the concept currently being used for the new Shea Stadium. Build the new facility, upon completion demolish the old one. 2. <u>State-of-the-art Facility.</u> A new facility will clearly serve the Islanders and community better than a renovation of the old tired building. 3. <u>Increased Revenue.</u> A new facility will generate greater fan attendance for the Islanders and more non-Islander events. Both will <u>generate greater sales tax revenue for the County.</u>
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	<p>(ii) construct adequate on-site, structured parking dedicated to the Coliseum. Developer must indicate the number of on-site, structured parking spaces it proposes;</p> <p>(iii) complete the Coliseum renovations within 3 years after closing or the lease commencement date;</p> <p>(iv) complete the construction of the Coliseum renovation and ancillary parking prior to commencing construction on any non-Coliseum improvements; and</p> <p>(v) provide adequate parking for the Coliseum at all times.</p> <p>Developer must set forth its offer to renovate the Coliseum building, including specific details such as a description of the proposed renovation work and the timeline for construction.</p>	<p>4. <u>Plan Flexibility.</u> Having the ability to move the location of the Coliseum on-site allows for better planning of the overall project. It gives us the opportunity to spread out the parking into multiple smaller garages. It also ties the Hofstra campus more appropriately into the site and balances the center courtyard to the overall project.</p> <p>5. <u>County Pride.</u> A new Coliseum will become Nassau County's iconic landmark and something for the citizens to be proud of.</p> <p><u>CRC believes that a contribution of a portion of the increased revenue earned by CRC, the Islanders and the County could support the increased cost of a new coliseum.</u></p> <p>(ii) Yes. CRC will provide 8,130 spots in a structured parking facility adjacent to the Coliseum and an additional 4,200 spots in a structured parking facility adjacent to the stadium.</p> <p>(iii) Yes.</p> <p>(iv) Yes.</p> <p>(v) Yes.</p> <p>CRC has based its renovations to the Coliseum from a report prepared by HOK (see HOK Study in Section V). Please note that CRC will work with the County to provide a scope of work that is acceptable to SMG and the Islanders.</p>
I-7 Sports Franchise	Developer will be required to demonstrate to the County that it has obtained an extension of the New York Islanders' agreement to play professional hockey at the Coliseum for a term acceptable to the County, or, in lieu thereof, for an agreement with a comparable professional sports franchise(s) acceptable to the County. It is the County's objective to obtain a long-term (e.g., greater than 10 years) commitment from the Islanders or a comparable professional sports franchise.	<p>CRC will use the Approval Period to accomplish this goal. We feel that this is easily attainable within the given time period.</p> <p><u>Based on our offer of Free Rent to the Islanders, this should be easily achieved.</u> Should the Islanders choose to leave we feel that CRC has the expertise and experience to replace the team if needed.</p>
I-8 Reverter/Lease Termination	In the event that the Islanders or another comparable professional sports franchise acceptable to the County ceases to play sporting events at the Coliseum, title to the Coliseum building and land necessary to support the Coliseum building shall, at the option of the County, revert back to the County or the lease of such land shall terminate, as applicable.	Understood and agreed to by CRC subject to reasonable "cure periods".

I-9 Coliseum Operations	<p>Developer will be required to maintain and operate the Coliseum in a first-class manner, maximizing opportunities to host events and generate economic impact for the County. A first class operation requires meeting industry standards for a similarly situated state-of-the-art, multipurpose, professional sports and entertainment arena. The Coliseum building must be used for sporting and entertainment events consistent with those events held at other state-of-the-art arenas.</p>	<p>CRC believes it is well positioned to operate the Coliseum in a first-class manner, maximizing opportunities to host events and generate a positive economic impact for Nassau County. CRC's partner, Sterling Equities has had ownership interest in the New York Mets baseball team since 1980.</p> <p><u>The New York Mets Development Corporation has had 25 years of experience managing sports stadiums.</u></p> <p>The management team of the New York Mets have the responsibility of overseeing all operational aspects of the following locations:</p> <ul style="list-style-type: none"> (1) Shea Stadium (2) Keyspan Park (Brooklyn Cyclones) (3) Tradition Field (Florida) (4) Baseball Facility (Dominican Republic)
I-10 Next Generation Housing	<p>Developer shall be required to commit to build a minimum of 20% for-sale/rental residential units within the Coliseum Site, which units must be for "Next Generation Housing," defined as housing that is affordable for a family or individual having an annual income up to 120% of the Area Median Income as defined by the United States Census.</p>	<p>Understood and agreed to by CRC.</p>
I-11 Public Transportation	<p>Developer shall be required to provide for public transit access and use at the Site in connection with a future transportation system. Developer must provide for rights-of-way, public access easements and financial investment dedicated to the effective and efficient use of a new transportation system. Please show preliminary transportation features in the conceptual site plan (Attachment "C"). To make this vision a reality, the County wishes to secure a partner committed to development at the Coliseum Site which is supported by a public transportation system servicing both the Coliseum and the greater area known as the Nassau County Hub.</p>	<p>CRC has proposed two alternative monorail lines. In both plans CRC has included the costs of the station and right of ways.</p> <p>Option 1 - The first alternative can be branched off of Hempstead Station which is approximately two miles from the proposed station at the Coliseum Site. (Exhibit E)</p> <p>Option 2 - The second alternative calls for the monorail system to be branched off of Mineola Station which is a distance of approximately four miles. This plan would allow for a monorail station stop at Roosevelt Field. (Exhibit F)</p> <p>Based on an estimated cost of \$50 Million per mile of rail, Option 1 is anticipated to cost \$100 Million and Option 2 is anticipated to cost \$200 Million.</p> <p>As per our original bid, CRC would pay for the costs associated with the monorail station at the Coliseum site.</p> <p>In addition, CRC will increase its bid to contribute \$25 million over the course of five years toward the construction of the monorail system once Nassau County starts construction of the project.</p>

I-12 Insurance	Developer, under a lease scenario, will be required to provide property and casualty insurance on the Coliseum and improvements necessary for the operation of the Coliseum and liability insurance on the entire Coliseum Site, all in such amounts, with such companies and pursuant to policies which, in each case, must be acceptable in form and substance to the County.	Understood and agreed to by CRC.
I-13 Repairs	Developer shall be responsible, at developer's sole cost and expense, for making all repairs to the Coliseum building and improvements necessary for the operation of the Coliseum building, including repairs resulting from a casualty.	Understood and agreed to by CRC.
I-14 Assignment	The contract of sale or lease may not be assigned without the County's consent.	Understood and agreed to by CRC. However, this would exclude apartment sales or sales to other commercial users/operators.
I-15 U.S. Green Building Certification	Developer will be required to obtain a "Certified" ranking under the LEED rating system. The entire 77 acre Coliseum site shall be planned, designed and constructed to achieve certification under the Leadership in Energy and Environmental Design for Neighborhood Developments (LEED-ND) Rating System. The development team shall apply for certification under the LEED-ND pilot program.	Understood and agreed to by CRC.
I-16 Public and Green Space	Developer shall clearly identify all proposed public spaces, including green spaces. Public and green spaces shall be designed to provide first class amenities to the public, with sensitivity to both the adjacent structures and the surrounding community needs.	We have incorporated public and green spaces into our plan which will provide first class amenities to the community. (See Exhibit D)
I-17 Antenna Rights:	County reserves right to use portions of the Coliseum Site or the improvements thereon for operation of telecommunications equipment.	Understood and agreed to by CRC.
I-18 County Use of Coliseum	County reserves the right to use Coliseum for County events up to 10 days per year, at no cost to the County other than payment by County of actual expenses, subject to availability.	Understood and agreed to by CRC.

All principals of the development team must respond to each point above and sign below. These signatures authenticate the response submitted herein and constitute acceptance of the County's process, requests and submission requirements to date regarding proposals for the redevelopment of the Coliseum Site.

COMPANY: Mets Development Company, LLC

BY:

NAME: Jeffrey Wilpon

TITLE: Sr. Executive Vice President & Chief
Operating Officer

DATE: December 23, 2005

COMPANY: Blumenfeld Development Group, Ltd.

BY:

NAME: David Blumenfeld

TITLE: Vice President

DATE: December 23, 2005

SECTION III

Development Parameters
Attachment "B"

Space Summary					
Space Summary	GBA*	# of Units	# of Stories	Approximate Land Allocation (acres)	
Lifestyle Residential	700,000	600 to 800	5 stories above the Retail levels	20.0	The 20 acre Smart Style Development includes Retail, Life Style Residential & Office.
Residential Tower	1,300,000	1,400 to 1,600	Not greater than 15 stories	13.5	
Office	500,000	To be determined	6 stories above the Retail levels	20.0	The 20 acre Smart Style Development includes Retail, Life Style Residential & Office.
Retail (including restaurants)	1,000,000	To be determined	2 stories	20.0	The 20 acre Smart Style Development includes Retail, Life Style Residential & Office.
Hotel & Conference Center	500,000	+/- 200 Rooms	12 stories above the Exhibition Hall	6.8	
Baseball Stadium	N/A	N/A	N/A	16.5	
Totals	4,000,000				
FAR**					
*Gross Building Area ** Floor Area Ratio					
Development Parking					
Development Parking	Total # of Spaces	# of Structured	% Shared with Other Use		
Parking Deck Adjacent to Coliseum	8,130	8,130	100%		
Parking Deck Adjacent to Stadium	4,200	4,200	100%		
Lifestyle Center & Hotel & Conference Center	4,229	4,229	100%		
Residential Towers	1,315	1,315	100%		
Total Parking	17,874	17,874	100%		
Total GBA					

Development Parameters
Attachment "B"

Coliseum Building Status				
Continued Use (Y/N)		Yes		
Demolition (Y/N)		No	We would consider the possibility of a new Coliseum if the County and Islanders agreed to share in a portion of the increased costs.	
Renovation & Expansion				
	Current Square Footage		410,000	
	Proposed Square Footage		650,000	
	Increase in Square Footage		240,000	
	Construction Timing (Commence/Complete)		3 years from Developer Selection Date	
	Anticipated Costs		200,000,000	
Alternate Use (Y/N)		Yes	CRC will work with the County to establish a list of alternative uses that could generically be placed in the PUD should the Islanders not extend their lease.	
Coliseum Parking				
		# and Cost of Spaces On-Site, Structured	Number 12,330	Cost 100,000,000
			Commence Developer Selection Date	Complete 3 years from Developer Selection Date
Development Construction Costs				
	PSF	Hard Costs	Soft Costs	Total Costs
Life Style Residential	300	210,000,000	63,000,000	273,000,000
Residential Tower	225	292,500,000	87,750,000	380,250,000
Office	200	100,000,000	30,000,000	130,000,000
Retail (including restaurants)	125	125,000,000	37,500,000	162,500,000
Hotel & Conference Center	200	100,000,000	30,000,000	130,000,000
Baseball Stadium		40,000,000	12,000,000	52,000,000
Coliseum Renovation		300,000,000	-	300,000,000
Sub-totals		1,167,500,000	260,250,000	1,427,750,000

Development Parameters
Attachment "B"

Development Timing	Commence	Complete
Planning/SEQRA	Developer Selection Date	Up to 18 months from Developer Selection Date
Zoning Approvals		PUD will take 2-3 years to complete.
Construction	Construction commencement would be within 9 - 12 months	Overall construction will be phased over a 5 - 8 year period.
Lease-up/Sell-out		Lease-up/Sell-out of each section will occur over a 1 - 2 year period from construction completion.
Stabilized Occupancy		Stabilized Occupancy of each section will occur over a 1 - 2 year period from construction completion.

EXHIBIT B	SITE PLAN
EXHIBIT C	ALTERNATIVE SITE PLAN
EXHIBIT D	GREEN SPACES PLAN
EXHIBIT E	HEMPSTEAD MONORAIL PLAN
EXHIBIT F	MINEOLA MONORAIL PLAN

SECTION IV

SECTION V
